

CHINATOWN/LEATHER DISTRICT CENTRAL ARTERY ADVISORY COMMITTEE

MEETING SUMMARY – PARCEL 24, MEETING #4, September 22, 2003 ST. JAMES CHURCH, 125 HARRISON AVE., CHINATOWN

Stephanie Fan, Co-chair of the Chinatown / Leather District Central Artery Advisory Committee, began the meeting with a brief overview of the previous meeting on uses. She quickly summarized uses that were suggested at the August 4th meeting: open space (either a community garden or pedestrian link); underground parking; non-restaurant-retail on Kneeland Street (continued discussion of retail on Hudson Street); community space (a library or day care center); and predominantly housing (a mix of rental and ownership with a mix of income levels addressing the community's affordability levels with an emphasis on 2-bedroom units with some 1's and 3's).

Questions that arose at the last meeting:

- Will the Quincy Upper School need all of the \$13 million for moving into the Boston High School building? If not, could that money go towards housing? (The current understanding is the School Dept. will need all of the funds to renovate Boston High to modernize the classrooms.)
- How do ownership units remain affordable? (One method widely used is to place a deed restriction on the unit – which are generally valid for 50-year increments. Another method not commonly used is having units owned by a community-owned land trust.)
- Does the federal government subsidize condo-units? (Not directly. There are general federal funds that are distributed by the state and cities that can be used towards homeownership.)

Sue Kim from the BRA, briefly explains the Chinatown Profile (condensed version) from the Census 2000 that was prepared by the BRA's Policy & Research Department. This summary provides a comparison between population, housing and employment data for the Chinatown and the City of Boston as a whole. She notes that some of the data stands out, such as the percentage of 2-bedroom housing units – 19% in Chinatown compared to 32% citywide. The summary is in the process of being translated, and the research department is continuing to do individual surveys of the housing developments to elicit other information. (Summary document available upon request.)

Fan introduced Sam Yoon from the Asian Community Development Corporation, who described the recent design forum held by the Hudson Street Coalition. Yoon explained that the design forum focused on a design exercise that included the participants breaking down into three groups with each group facilitated by an architect or other development professional. Each group was also provided a spreadsheet to assist in determining economic feasibility. Yoon played a video summarizing the design forum and the results from the exercise.

Questions to Yoon and answers about the video/ design forum:

- Were there elements similar to all schemes? (Yes, all three groups had more massing and height towards Kneeland Street with tapering down along Hudson St. They also had a node in the middle for pedestrian access and/or open space. Some of the numbers were also similar – i.e., rentals vs. condos with 50 – 75% condos. The uses were generally similar but the percentages and amounts varied.)
- How was the event publicized? Who were the participants of the forum? (There were bilingual flyers in the neighborhood, and it was publicized through the Hudson St. Coalition meetings. There were notices posted at the Harvard and MIT's design schools. A record of the attendees is available.)

Fan summarizes that there appears to be some consensus about the general uses (i.e., a mix of rental and condo units) from the discussion at the Aug. 4th Parcel 24 meeting and the Hudson St. Coalition's forum.

Dick Garver, BRA, frames the next part of the meeting. The purpose of these meetings is to create design and use guidelines for the Request for Proposals for developers. These guidelines would be more a statement of community preferences that prospective developers would be able to respond to (i.e., proposals may be favored for 50 – 70% ownership opportunities). These guidelines would also assist the MTA, City and community evaluate the developers' proposals. At the next meeting, we will start talking about massing, building forms, and other design-related issues.

Bruce Ehrlich, BRA, describes the range of opportunities in housing for subsidies. Ehrlich refers to his presentation for Parcel 24 meeting #2 when he began talking about the complexities of housing and the difference between a project with internal subsidies and one that has external subsidies. He explains the chart (see attachment) that cover a general range of external subsidies that currently exist that could be applied to a housing development. There are limits to each subsidy program which result in ranges of housing units that can be subsidized to households with specified income limits. Ehrlich proceeds to explain the characteristics and limits of the variety of subsidy programs:

- Tax credits alone cannot subsidize an affordable rental project;
- Tax credits take a couple of years to secure but are very possible for solid projects;
- The tax credit program is very stable;
- Section 8 doesn't directly subsidize the construction of a project but supplements people's incomes for paying the monthly rents;
- Section 8 assistance can be used to make tax credit unit affordable to families with very low incomes;
- Section 8 assistance can't doesn't help create a larger project but makes can make it more affordable;
- The Section 8 program is not a long-term subsidy and may not be as stable in the future;
- Section 202 is specific for elderly housing and provides both capital funds towards construction as well as a 20-30 year subsidy program but is extremely competitive;
- Section 202 projects must be stand-alone buildings with no other uses allowed in the building;
- Section 202 projects must be developed by a non-profit organization (that has already constructed one);
- Public subsidies for family home ownership are limited compared to the subsidies available for rental housing;
- When applying for subsidies, the City and State look at an housing project overall to see how much of which subsidies are being requested so that if a project has a significant amount of one subsidy, it may get less of another one;
- Most new affordable family rental projects have a maximum of 50 – 75 units.

Ehrlich explained that the Metropolitan was an exception rather than the rule for receiving the amount of subsidies it requested. The Metropolitan also received more subsidies than are commonly available to assist in its financing. He continued that the numbers shown are just percentages but they depend on the size of a project that hasn't been determined yet. he also pointed out that in the Metropolitan a significant amount of the housing profit from its market rate units went towards the construction of community space, not affordable housing.

Questions and Answers:

- Does a developer have to secure Section 8 certificates before beginning construction? (Yes. Since tax credits take about 2 years to secure this provides plenty of time to apply for Section 8 assistance.)
- Are there trade-offs in terms of timeframe for development and the mix of affordability, i.e., internal subsidies for condo units versus Section 202 or tax credit units? (It depends on the size and complexity of the project, but the subsidies may increase the development timeframe. A market rate project could also be slowed if market conditions were uncertain, so a subsidized project does not necessarily take more time, but it could)
- Would it affect the timeframe of the development process if a developer wants to use subsidies? (Tuttle: A developer would need some site control to apply for subsidy programs, so the MTA would be looking at the developers' stated intentions for acquiring subsidies.)
- If the selected developer doesn't receive the requested subsidies that were anticipated for the development, does that mean there has to be a re-evaluation? (The development may need to be re-worked. After developer selection, the project review process would also review potential issues with subsidies.)
- At what point does the MTA determine land value? (Tuttle: After the developers submit proposals and taking into account the city and community's goals.)
- What weight will the public have in the developer selection process? (Tuttle: There's no set number, but the community's response is significant. For example, in Charlestown, the developer selected was the one who went furthest with the community's goals rather than the highest bidder.)
- Are market rate condo units impacted by being connected to low-income rental units? (The value of market rate units depends on location on the site and floor height. The Metropolitan is doing well with its market rate condo units.)

Henry Yee reiterated the state legislation from Senator Wilkerson's Office that would give the land back to the Chinatown community. Bill Tuttle from the MTA replied that the MTA still does not support the legislation but that this process for creating design and use guidelines would still need to be done.

Ehrlich continues with two examples of housing subsidy packages at the bottom and top of the range of possibility. If a project were based on existing external subsidy packages, a smaller project may reasonably be able to provide 36% of its rental and condo units as "affordable" – with the income limits varying depending on subsidy-type. In a larger project that uses as many subsidy programs as are available and actually secures the maximum amount of subsidies, including a large internal subsidy, that number could be as high as 67%.

These are simplified examples with the affordabilities varying by unit type (condo, Sect. 8, or elderly Sect. 202, etc). Ehrlich explains that there are subsidy program limits that would limit the number of affordable units that could be subsidized or created with a subsidy in a single project. For the number of affordable units to go beyond the subsidy program limits would be extremely difficult, possible, but not very probable. Since there were different subsidies used between the two examples, Ehrlich and Tuttle pointed out that with guidelines the goal is to find a baseline minimum with the hopes of going beyond it.

It was requested that a scenario be developed for a housing development with 200 units (Ehrlich's examples started at 250 units) and to look at potential home ownership opportunities for income levels below 80% AMI. The BRA agreed to work on a 200-unit scale scenario. Fan thanked everyone for participating.

The next Parcel 24 meeting will be on October 14th at 6:00PM at St. James Church.